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China, Peoples Republic of

Agricultural Situation

Newsflash

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Report Highlights:

This report provides a news synopsis of trade policy and agriculture/commodities in China. Trade policy news includes: export tax rebate to adjust downwards; ban of Djibouti live poultry and poultry product imports. Agriculture/commodities news includes: seed companies segregated from administrative agencies; China loses \$9 billion in agricultural exports due to technical barriers to trade; 2005/06 sugar production down to 8.82 MT; avian influenza outbreaks in Tibet and Xinjiang; China "School-Milk Program" success; nationwide check-up on preexisting animal disease quarantine work; Dalian scrutiny of beef imports; expected low prices for meat, chicken and eggs in 2006 second half.

Includes PSD Changes: No
Includes Trade Matrix: No
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Trade Policy

Export tax rebate to adjust downward

According to officials of the relevant financial and taxation departments, there will an adjustment to the current export tax rebate system because of pressure from surplus production capacity, WTO rules, and anti-dumping conflicts. Exports based on high pollution and energy/resource consumption are likely to be affected, including light industry and the textile industry. The State Council is to announce the detailed adjusted export tax rebate policy. (6/13/06, China Textile News, WXP)

China bans Djibouti imports of live poultry and poultry products

The Chinese Ministry of Agriculture (MOA) announced during a press conference on June 12, 2006, its intention to ban imports of live poultry and poultry products from Djibouti due to a local outbreak of highly pathogenic avian influenza (HPAI). (Farmers' Daily, 6/13/2006, ZJP)

Agriculture/Commodities

Seed companies to be segregated from administration agencies by the end of June 2007

On May 19, 2006, China's State Council issued a circular "Suggestions on Reform of Seed Management and Marketing System". The circular requested that all seed companies/traders be completely segregated from the agricultural administrative agencies by the end of June 2006. The purpose is to set up a level playing field for all seed companies/traders and strengthen the monitoring and supervision of the seed market. (6/10/06, Farmer's Daily, WXP)

China loses \$9 billion annually in agricultural exports due to technical barriers

China exported \$27.2 billion worth of agricultural products in 2005, up 17.7% from the previous year. More than 90% of Chinese food and agricultural export enterprises experienced foreign technical barriers to trade (TBT). It is estimated that TBT measures would result in about \$US 9 billion loss for China's agricultural exports each year. The problem is that China's testing standards are not in harmony with international criteria. Since the food safety regulatory system is incomplete, China has fewer testing standards and some standards lower and outdated as compared to international standards. (Consumption Daily, 6/13/06, WBG)

2005/06 Sugar production down to 8.82 MMT

The 2005/06 sugar production season has ended and the total production was 8.82 million metric tons (MMT), down 3.9% from the previous season. Dry weather in Hainan and Yunnan provinces have caused the sugar cane production to drop significantly. Additionally, sugar crop area was reduced to 1.56 million hectares, down 5% from the previous year. (China Food Newspaper, 6/13/06, WBG)

Avian influenza (AI) outbreak troubles Tibet

On May 26, 2006, during a regular bird flu surveillance, the Animal Disease Monitor Bureau of Lasa City of the Tibet Autonomous Region tested 3 dead wild geese presented by Dangxiong County. The diagnosis showed that the geese were infected with H5 type of avian

influenza. On June 3, 2006, the China National AI Reference Laboratory isolated the virus of highly pathogenic avian influenza (HPAI) H5N1. By June 8, 2006, Lasa City found 28 dead wild migratory birds. According to the Ministry of Agriculture (MOA), the number of dead migratory birds infected with AI in Yushu County, Qinghai Province, has been increasing since April 23. By June 8, 2006, they found 495 dead migratory birds in total. MOA also indicated that the number of dead migratory birds infected with AI in Guoluo Autonomous Prefecture of Qinghai Province and in Naqu Area of Tibet has also been increasing since May 21. By June 8, 2006, they found a total of 440 and 1154 dead migratory birds respectively in the two places. (MOA Notification, 6/9/2006, ZJP)

China "School-Milk Program" picks up momentum

China started "School-Milk Program" in 2000. At present, the program has covered 28 provinces, autonomous regions and municipalities directly under the Central Government. By the end of 2005, there were over 10,000 primary or middle schools in over 60 large-medium sized cities carrying out this program. Daily supplies of drinking milk have reached 2.43 million boxes, up 26 percent from 1.93 million boxes in 2004. (China Food Newspaper, 6/15/2006, ZJP)

Nationwide check-up on preexisting animal disease quarantine work begins

The Center of Disease Control of China (CDC) is organizing a nation-wide check of animal disease quarantine on bird flu and food and mouth disease (FMD). It has organized 31 groups to check quarantine work for bird flu and FMD at 2,480 households with backyard farms, 186 large-scaled commercial farms and 62 slaughterhouses in 248 villages, 124 townships and 62 counties covering all 31 provinces, autonomous regions and municipalities directly under the Central Government. The monitoring locations will focus on areas bordering other countries, less developed areas, mountainous areas, watersheds, frequent marketing places for live animal and poultry, developed transportation areas, and those regions with prior bird flu or FMD outbreaks. The program is targeted to collect 7,750 samples from rural animal and poultry farms. (Farmers' Daily, 6/14/2006, ZJP)

Dalian scrutiny of imported beef

In response to the "Urgent Request on Seriously Fighting Against Smuggling and Marketing Beef Products from BSE Countries" issued by the Chinese quarantine authority, AQSIQ, six government agencies in Dalian city jointly started a campaign to monitor the local beef market. It checked 14 high-end hotels, Western and Japanese restaurants and one large supermarket. About 34 kg of beef were intercepted at four locations, which purportedly carry imports from Canada, the United States and other BSE associated countries. (China Food Newspaper, 6/15/2005, ZJP)

Expected low prices for meat, chicken and eggs in 2006 second half

According to Li Yongqiang, Director of the Price Division, Rural Department, of the China National Statistics Bureau, domestic prices for meat, poultry and eggs from January to May have remained low on average, except January due to traditional festivals. During this period, the prices for live swine decreased 19.8 percent, the prices for live chicken decreased 12.5 percent, and the prices for eggs decreased 11.9 percent over the same period of 2005. The low price trend is expected to continue in the second half of the year. This is due to production increase, import increase, and export frustration. (China Consumers' Newspaper, 6/9/2006, ZJP)

Avian Influenza outbreak ails Xinjiang

The Ministry of Agriculture notified to all foreign diplomatic missions in Beijing that there was an outbreak of highly pathogenic avian influenza (HPAI) in Xinjiang Uygur Autonomous Region. On June 4, 2006, during a regular bird flu surveillance, the General Animal Disease Surveillance Station of the Xinjiang Uygur Autonomous Region found 200 poultry dead on a household poultry farm at Tareshilike Village, Zhake Township of Hetian Country. The farm had a total of 637 poultry. A preliminary test indicated a suspected case of avian influenza (AI). On June 7, 2006, the China National AI Reference Laboratory isolated HPAI H5N1 from the materials presented by the autonomous region. (MOA Notification, 6/7/2006, ZJP)